

WE ♥ TV

digitaluk annual review 2006/07



get set for digital 

78% of people prefer digital TV to analogue TV (source: Digital UK/Ofcom tracker Q1 2007)



Contents

10 things you didn't know about switchover

Chairman's report

CEO's report

What is digital switchover?

1 **Page 14:**
The timetable and the technical task
Monitoring progress

2 **Page 24:**
Communications
The Digital Switchover Help Scheme
Community outreach

3 **Page 32:**
Housing and Property
Political and media affairs

4 **Page 38:**
Regions and Nations

5 **Page 44:**
The Copeland area

6 **Page 50:**
Financial reports

10 things you didn't know about **switchover**



The new mast at Caldbeck, in the Border region, will be taller than the Eiffel Tower.



The Netherlands switched over to digital TV in December 2006.



Each UK household has over 2 TVs on average.



Awareness of switchover in the Border region is 97%.

Work is being carried out on more than 1,150 transmitter masts across the UK.



In the UK 52% of TV sets sold in May 2007 were digital.





Sweden will complete switchover in October 2007.



1.9 million analogue recorders were sold in the UK in 2006; this includes VCRs and analogue DVD-Rs.

In the UK 20% of people live in flats, but 97% have never spoken to their landlord about TV provision.



Denmark's 2.5 million homes will switch over on November 1, 2009.

Chairman's report:

Barry Cox

There have been several major developments in the digital switchover programme in the past year. One of the most important was the decision to make the Copeland area, including the seaside Cumbrian town of Whitehaven, the lead area; it will switch off its analogue TV services this November, ahead of the rest of the Border region. We are already learning valuable lessons from this initiative, and particular credit should go to Ford Ennals and Ofcom who overcame some initial reluctance from some stakeholders to bringing the Copeland area forward in this way. Our research shows that some households will not have switched by the November deadline, but we expect all of them to have gone digital by Christmas.

We are in the process of hiring more people in each region to manage switchover on the ground. Close co-operation with the local authorities and the major charities is the only way of getting to those who are hard to reach and outside the Digital Switchover Help Scheme (for those 75 and over, for the severely disabled and those registered blind or partially sighted). More than 80% of the UK now has digital television, but this “hard to reach” group are behind the rest of the country; helping them to switch will be one of our most important tasks.

Even after the complex negotiations between the Government and the BBC on the licence fee were concluded in December, the agreement on switchover funding, including the Digital Switchover Help Scheme, took more than four months to finalise. During the process, Digital UK ensured the momentum of switchover planning continued for the UK as a whole, and for the Copeland area. We are delighted that the licence fee settlement included ringfenced funding for the Help Scheme and for Digital UK's communications, and that the BBC has assumed responsibility for the Help Scheme.

Similar issues arose in transmission. The contracts between some of the broadcasters and the transmission companies, Arqiva and NGW, were still not signed by the end of May; and Ofcom has had to revise its code of practice for managing the highly complex arrangements that govern individual transmitter designs. Our thanks go to all those involved for keeping the very tight programme on track despite these challenges.

In its second year, Digital UK has established itself as a highly credible leader of the switchover project. The Board is very grateful to Ford Ennals and the staff for the professionalism and commitment they have shown throughout.

BS Cox



CEO's report: **Ford Ennals**

After eight years of planning, digital switchover will finally become a reality in 2007. During this year, the Copeland area, including the town of Whitehaven, will be the first in the UK to switch over. This marks the start of a five-year programme that will bring digital TV to every household in the UK by the end of 2012.

In the last year Digital UK has continued its programme of work: overseeing the build-out of digital transmitters, co-ordinating industry activity and leading switchover communications. This work has been largely successful, with the workstreams on track and with positive engagement from shareholders, media and the public. Public awareness of switchover is now over 80% nationally and over 90% in the lead regions of Border and West Country. In the Copeland area, awareness of switchover is almost universal. Our challenge is to increase detailed understanding of the two-phase switchover timing and minimise the number of households left without TV immediately after switchover.



Digital conversion has continued to increase; almost 80% of all homes in the UK now have digital TV and their satisfaction of digital TV, particularly compared with analogue TV, is very high. While Digital might want to take some credit, it has been largely the energy and investment of all the stakeholders, including the broadcasters, the platforms, the retailers and manufacturers who have driven this digital penetration with the strength of their digital content and promotion.

During 2006/07 we have been extending our work from central co-ordination and communication, to face-to-face contact in local communities: expanding our operations in the regions and nations; working with local authorities and the voluntary sector; meeting members of the public in local meetings; and roadshows. Another key development has been the establishment of the Digital Switchover Help Scheme managed by the BBC, and the agreement of the role of Digital UK; providing the generic communications for the Help Scheme.

As we move into 2007/08 Digital UK is well prepared: we now have 46 staff members, approved budgets, support from our Board, engaged stakeholders and growing digital momentum. But we are not complacent. The risks are great and very real; from the uncertainty of the readiness of social and private landlords, to the continuing concern about the high proportion of analogue equipment still being sold, as well as the need to help potentially vulnerable people not eligible for the Help Scheme.

This programme and our staff will not be tested until we switch off the analogue signal and have successfully helped communities through the transition to digital TV. We believe the Digital UK team is up to the task.

A handwritten signature in black ink, appearing to read 'Anthony King', is positioned in the bottom left corner of the page. The signature is fluid and stylized, with a large loop at the end.

The board (as at March 2007)

- 1 **Barry Cox** Chairman, Digital UK
- 2 **Ford Ennals** Chief Executive, Digital UK
- 3 **Steven Marshall** CEO, National Grid Wireless
- 4 **Danny Churchill** Supply Chain Group Representative
- 5 **Tim Davie** Director, Marketing, Communication and Audiences, BBC
- 6 **Laurence Harrison** Director of Consumer Electronics, Intellect UK
(Supply chain Group Rep)
- 7 **Nigel Beighton** Chief Technical Officer, Teletext
- 8 **Grant Murray** Director of Finance, Five
- 9 **Simon Pitts** Controller of Platforms, ITV & MD of SDN
- 10 **Arshad Rasul** Director of Broadcast & Distribution, S4C
- 11 **David Scott** Consultant, Channel 4
- 12 **Christy Swords** Director of Regulatory Affairs, ITV
- 13 **Caroline Thomson** Chief Operating Officer, BBC
- 14 **Andy Townend** Chief Operating Officer, Digital UK

Also in attendance:

- 15 **Simon Crine** Director of Corporate Affairs, Digital UK
- 16 **Mike Hughes** Broadcast Director, Digital UK
- 17 **Jane Ostler** Director of Help Scheme and Housing, Digital UK
- 18 **Alex Pumfrey** Director of Strategy and Policy, Digital UK
- 19 **Beth Thoren** Director of Communications, Digital UK

BBC

itv



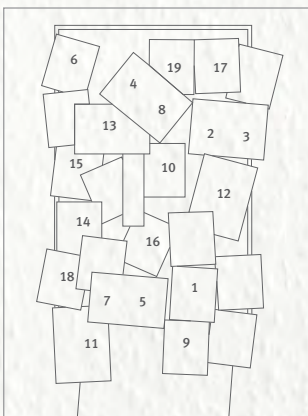
five

teletext

S4/C

nationalgrid
Wireless

SDN



What is digital switchover?

Digital switchover is one of the biggest public projects of the post war era. It's been compared to decimalisation and North Sea gas conversion. It's the biggest change to television for a generation and affects virtually every UK household.

"I only have the one TV set and I was a bit concerned that it was too old to be made digital, but now I am clear on what I have to do and it's a lot easier than I thought."

Tom Stephens – Copeland



Forty years after the introduction of colour transformed people's viewing experience, the UK is taking its first steps towards a modernised television system, providing virtually universal access to digital television through an aerial for the first time.

Demand for digital television in the UK has never been stronger. Over 80% of households have already switched to cable, satellite or digital terrestrial services on their main TV set and 40% of all television viewing is of digital channels.

Freeview is now the most popular way to get digital television but still remains unavailable in many parts of the country. Even those who can receive Freeview now often suffer interference because the signal presently has to be broadcast at reduced power. Switchover will resolve this. By turning off the existing analogue services and switching to a fully digital system, Freeview channels can be broadcast at high power and from all transmitters across the country.

The switchover process starts this year in the Copeland area, including the town of Whitehaven, in Cumbria. The first analogue signal will be replaced with digital services on October 17, 2007, with the remainder being switched four weeks later.

In Copeland and across the country, switchover will be managed by Digital UK. Established by the main UK broadcasters, its role spans every aspect of the process from running one of the biggest ever public information campaigns to the co-ordination of engineering work to upgrade more than a thousand transmitters across the country. Digital UK also works with stakeholders and a range of charity and volunteer organisations, to ensure help is received by those who need it.

Switchover completes in 2012 when analogue television services cease in the last three regions, including London. Television in this country will have undergone one of the biggest changes in its ongoing evolution.

digitaluk is also working with:





The Guardian | Wednesday June 6 2007

International

'Scooter' Libby gets 2½ years in jail for

Cheney aide 'brought US system into disrespect' Appeal expected in case linked to Iraq invasion

Ewen MacAskill Washington

Lewis "scooter" Libby, a former leading official in the Bush administration, was sentenced to two and a half years in jail yesterday for perjury and obstruction of justice in relation to the Iraq war. Libby, 56, was chief of staff and national security adviser to the vice-president, Dick Cheney, one of the leading advocates of the invasion. He is the highest-level US official to be sentenced to jail since the 1950s. The sentence was announced in a statement issued by the White House. Cheney stood by his former aide and personal integrity. The sentence could further damage the reputation of the Bush administration, especially if George Bush pardons him.

Continuously for Libby, the judge, Judge Walton, indicated he was not going to allow the defence to bring out an appeal to keep him from jail. Judge Walton is to rule next week on whether Libby should be in jail while awaiting an appeal hearing. Libby could be awaiting an appeal hearing for weeks, possibly months, for the first time since he was indicted in the case.

The White House said in the statement that Libby had no role in the Iraq war. Libby had no role in the Iraq war, the White House said. Libby had no role in the Iraq war, the White House said. Libby had no role in the Iraq war, the White House said.

whole life. Libby was found guilty of perjury in March 2005 and sentenced to 30 months in prison. Judge Walton, who has a tough reputation among the press, a 1975 Nobel Prize, and the end of the prison sentence. Libby had a 1975 Nobel Prize, and the end of the prison sentence. Libby had a 1975 Nobel Prize, and the end of the prison sentence.

Libby had a 1975 Nobel Prize, and the end of the prison sentence. Libby had a 1975 Nobel Prize, and the end of the prison sentence. Libby had a 1975 Nobel Prize, and the end of the prison sentence.

Cheney aide 'brought US system into disrespect' Appeal expected in case linked to Iraq invasion

Ewen MacAskill Washington

Libby had no role in the Iraq war, the White House said. Libby had no role in the Iraq war, the White House said. Libby had no role in the Iraq war, the White House said.

Libby had no role in the Iraq war, the White House said. Libby had no role in the Iraq war, the White House said. Libby had no role in the Iraq war, the White House said.

Libby had no role in the Iraq war, the White House said. Libby had no role in the Iraq war, the White House said. Libby had no role in the Iraq war, the White House said.

Ewen MacAskill Washington

Libby had no role in the Iraq war, the White House said. Libby had no role in the Iraq war, the White House said. Libby had no role in the Iraq war, the White House said.

Libby had no role in the Iraq war, the White House said. Libby had no role in the Iraq war, the White House said. Libby had no role in the Iraq war, the White House said.

WE ♥ TV

Time spent watching TV is highest amongst 65-74s who spend an average of 196 minutes per day watching TV and 92% of this age group do it on a daily basis.

United States
Kidnap trial 43 years on for ex-Ku Klux Klan man
Evita - Evo, the movie, puts Bolivia on map
From a marginalised community of impoverished farmers and labourers, the film has become a symbol of resistance and change. It has since been shown in the White House and the White House has ordered the film to be shown in the White House. The film has been shown in the White House and the White House has ordered the film to be shown in the White House.



port bomb plot ect surrenders

...revenue subject to an alleged plot to
...a New York's 11th largest commercial
...appliance manufacturer as agents, against
...official said. ...the fourth most
...country in the alleged plot to blow up
...fuel towers that feed the region. ...the
...there are already in custody in Trinidad
...and the fourth in the US. Authorities
...have acknowledged that the plot was
...more sophisticated than operational in
...might suggest in Trinidad from local
...at Mountview, a radio de la zona group that
...staged a coup attempt in the Caribbean
...nation in 1991. AP Trinidad

The timetable and the technical task

The twelve months up to March 31, 2007 saw further consolidation of the technical planning activities, confirmation of the timetable in the lead regions and the commencement of transmitter re-engineering work.

People in the UK spend an average of **2.5 hours** a day watching TV while **87%** of people watch TV on a daily basis. (Source: 2000 Time Use Survey)



Switchover happens TV region by TV region but in most regions there are a series of individual transmitter switchover dates; for example five in the West Country, and seven in Wales.

The switchover schedule

The overall timetable for digital switchover is as below. The detailed timings for each transmitter group will be announced as the relevant date gets closer.

Border

Whitehaven	Oct 17/Nov 14	2007
Selkirk	Q4	2008
Caldbeck	Q2	2009

West Country

Beacon Hill, Stockland Hill	Q2	2009
Huntshaw Cross, Redruth, Caradon Hill	Q3	2009

Wales

Preseli, Carmel	Q3	2009
Llanddona, Moel-y-Parc	Q4	2009
Blaenplwyf, Long Mountain, Wenvoe	Q1	2010

Granada

Winter Hill	Q4	2009
-------------	----	------

West, STV North

2010

STV Central

2010 – 2011

Central, Yorkshire, Anglia

2011

Meridian, London, Tyne Tees, Ulster

2012

What happens at switchover?

For each transmitter group BBC Two will be switched off first, at which point BBC digital services including BBC One and BBC Two will be launched at high power, extending coverage and bringing new services to all viewers in the relevant reception area.

Four weeks later, the other analogue channels (ITV1, Channel 4, BBC One and, where available, Five and S4C plus Teletext) will be switched off and replaced by their digital equivalents operating at high power.

Transmitter engineering

The first major elements of the re-engineering programme involve mast strengthening and antenna installation. At two sites (Caldbeck in the Borders and Blackhill in Scotland) new permanent masts are being built. At some sites the complexity of the work entails the erection of temporary masts.

Work on masts can necessitate climbing to over 300 metres and so is very weather dependent. For that reason, such “airworks” are generally scheduled between April and October.

The Summer of 2006 was the first opportunity for Arqiva and NGW, the transmission providers, to commence in earnest on this phase of the implementation programme:

- The new main and reserve antennas have been installed at Selkirk and is currently operating on 4 analogue channels and 6 low power Digital Terrestrial Television (DTT) channels.
- At Carmel in Wales a 60 metre temporary tower has been erected on site and mobile telecoms service providers have been moved to the new tower to allow extension work on the existing mast.
- A 200 metre temporary mast has been erected at Wenvoe along with a 15 metre Ultra High Frequency (UHF) temporary antenna.
- Mast strengthening has been completed at Stockland Hill, Caradon Hill and Huntshaw Cross in the West Country; Preseli and Moel-y-Parc in Wales; Winter Hill in the Granada region.
- Antenna work and transmitter installation has been completed for the Whitehaven transmitter and its relays in preparation for switchover in October/ November 2007.

2007 will see a further intensification of the programme with antenna works on all the main sites in West Country, Wales and Granada and mast strengthening commencing in regions which fall later in the rollout plan.

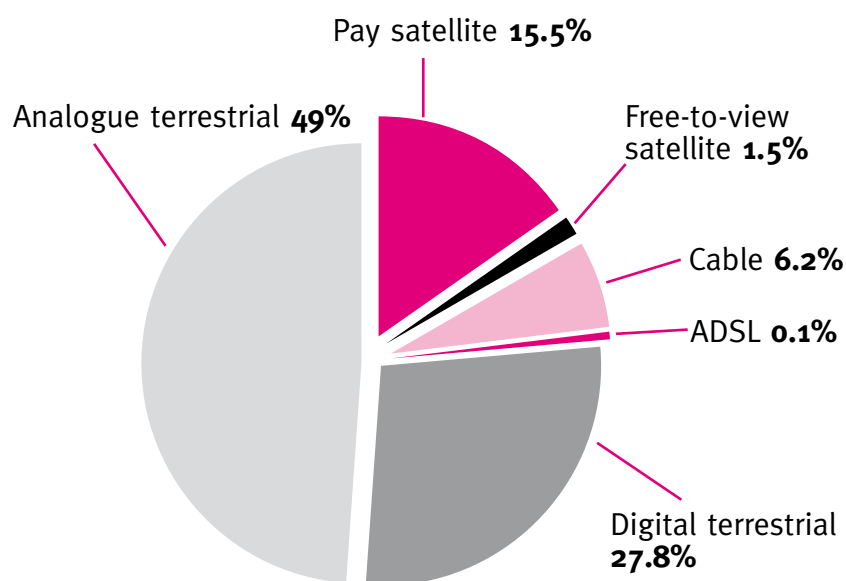
The groundworks are in place for the new Caldbeck mast which is one of the largest to be built since the 1960s.

Monitoring progress

We have spoken to more than 8,000 households nationwide and asked them about their awareness and understanding of the digital TV switchover. The Digital UK/Ofcom Switchover Tracker has now been running for a year and is our key tool for monitoring the progress of the switchover programme.

Platform share of all TV sets

- **51%** of all TV sets now receive multi-channel television
- DTT has the largest share of the TV set universe, 16.7m TVs, of which:
 - 8.4m are primary TV sets;
 - 8.3m are secondary TVs; and
 - 11.7m homes have DTT
- **16%** of Sky's subscriber base (1.3m) has a Sky Multiroom subscription



The results are encouraging:

- Awareness of switchover now stands at **82%** – up from **66%** in April 2006;
- Understanding has reached **64%** – up from **52%** in April 2006; and
- Attitudes have remained broadly positive or neutral.

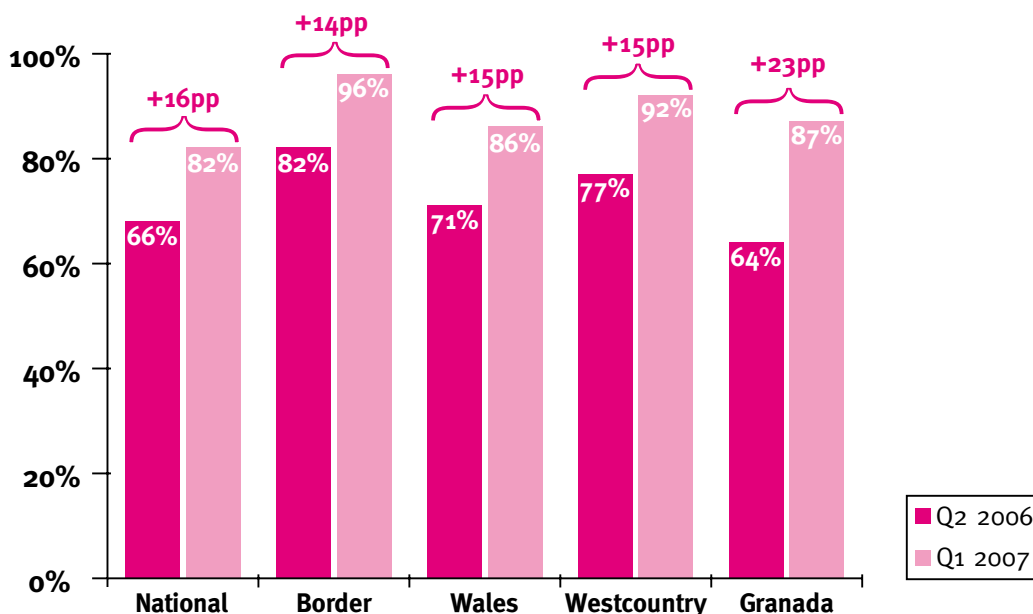
The first regions to switch are leading the way, with more than nine in ten people aware of switchover in Border (**96%**) and Westcountry (**92%**).

We also run a Tracker survey in the Copeland area, and have so far interviewed more than 500 homes. Latest results show that awareness of switchover is almost universal at **97%**.

It is important to us that everyone is aware of switchover, and it is a particular achievement that over the past year some of those consumer groups with below average awareness have caught up. In April 2006 men were much more likely to have heard of switchover than women, but today **82%** of both sexes are aware. Older people are as likely to have heard of switchover as anyone else: **83%** of those 65+.

Switchover awareness Q2/2006 vs. Q1/2007

Awareness that digital switchover is happening is generally higher in the lead switchover regions Border, Wales, Westcountry and Granada with awareness levels now above **86%** in all of those regions. The Border TV region as the first region to switchover in 2008 and 2009 has reached almost universal levels of awareness with **96%** of the population aware of the change. (source: Digital UK/Ofcom Switchover tracker)



Of course there is still more work to do:

- We recognise that over time everyone will have to understand the various aspects of switching to digital TV, including the impact on recorders (which only **32%** currently appreciate) and the need to get digital TV on every set.
- Minority ethnic groups continue to be much less aware of switchover (**58%**).

We have begun the process of letting the UK know when switchover will happen for them. The residents of Copeland now know that switchover will start on October 17, and **70%** know that switchover will happen in October. The Border region spans 2008 (when the Selkirk transmitter in the Scottish Borders switches) and 2009 (when the Caldbeck transmitter in Cumbria switches). **60%** of Border residents know that switchover will take place over these two years, and as local, transmitter area communications launch we will monitor the two areas separately.

Although most people know switchover is happening TV region by TV region between 2008 and 2012, nationwide only **15%** of the population can tell us when switchover is for their region.

We follow closely how people feel about switchover. When asked what they think of switchover, seven in ten say that it is either a good thing, or simply one of those things (a positive or neutral statement). This marks a slight improvement from April 2006, when two thirds were either positive or neutral. We also ask people how they feel about the process of switching over: an overwhelming majority (**81%**) are comfortable with the process, and do not feel threatened or worried by it.

In the past year we have also looked into some important issues that surround switchover, including digital TV equipment usability, and ownership and usage of analogue recorders. We are also tracking and benchmarking international activity: we have met those responsible for switchover from Sweden, Finland, the Netherlands, Germany, Australia, the USA and France.

Over the coming year we will continue to keep a close eye on switchover, and will talk to more than 9,000 homes, covering core awareness and understanding issues. We also look at topics including the importance of equipment energy efficiency to consumers, what might help them to convert. Our tracking of Help Scheme awareness will inform the development of our communications and outreach strategies.

Switchover Dashboard: By Region Q1 2007

	Base Size	1 Awareness		2 Understanding			3 Pos/neut attitudes		4 Intentions to convert			5 Conversion				6 Satisfaction
		a - Switchover	b - Logo	a - What to do for DSO	b - Update VCRs	c - Regional date	a - Overall opinion	b - Personal comfort	a - Convert at least one set	b - Will not convert any set	c - Analogue h/holds to cnvrt 12m	a - Primary set converted	b - Other sets converted	c - Full h/hold converted	d - Total TV sets converted	With digital TV
National	1956	82%	60%	64%	32%	15%	70%	81%	88%	2%	12%	78%	41%	44%	60%	78%
1 - Border	325	96%	76%	75%	35%	60%	74%	83%	94%	1%	7%	71%	48%	45%	60%	80%
2 - West Country	311	92%	69%	78%	37%	22%	76%	81%	92%	1%		81%	47%	50%	63%	80%
3 - Wales	319	86%	63%	64%	25%	36%	63%	81%	94%	1%		86%	48%	51%	66%	80%
4 - Granada	311	87%	66%	64%	31%	23%	70%	79%	93%	2%		80%	41%	46%	60%	79%
5 - West	55*	86%	62%	74%		13%	78%	80%	89%	0%		67%	43%	37%	57%	
6 - Scottish	79*	82%	63%	56%		17%	69%	81%	88%	2%		80%	49%	52%	65%	83%
7 - Central	93*	86%	60%	63%	37%	8%	68%	79%	81%	3%		83%	35%	42%	60%	73%
8 - Yorkshire	106	83%	70%	58%	24%	6%	75%	86%	92%	1%		76%	38%	38%	57%	74%
9 - Anglia	80*	87%	56%	72%	26%	3%	61%	76%	92%	3%		67%	36%	36%	53%	79%
10 - Meridian	95*	88%	52%	77%	37%	20%	74%	80%	91%	1%		84%	39%	47%	60%	71%
11 - London	98*	72%	59%	60%	30%	13%	70%	81%	91%	2%		76%	42%	45%	60%	77%
12 - Tyne Tees	59*	84%	62%	60%		21%	65%	85%	89%	4%		93%	47%	52%	68%	86%
13 - Ulster	57*	51%	27%	33%		6%	58%	96%	61%	2%		60%		38%	56%	

Ulster: 6-month data (October 2006-March 2007)

* Very small base size - data should be viewed as indicative only

** Extremely small base size - data omitted

Source: GfK NOP Media Fieldwork dates 4th January-31st March 2007

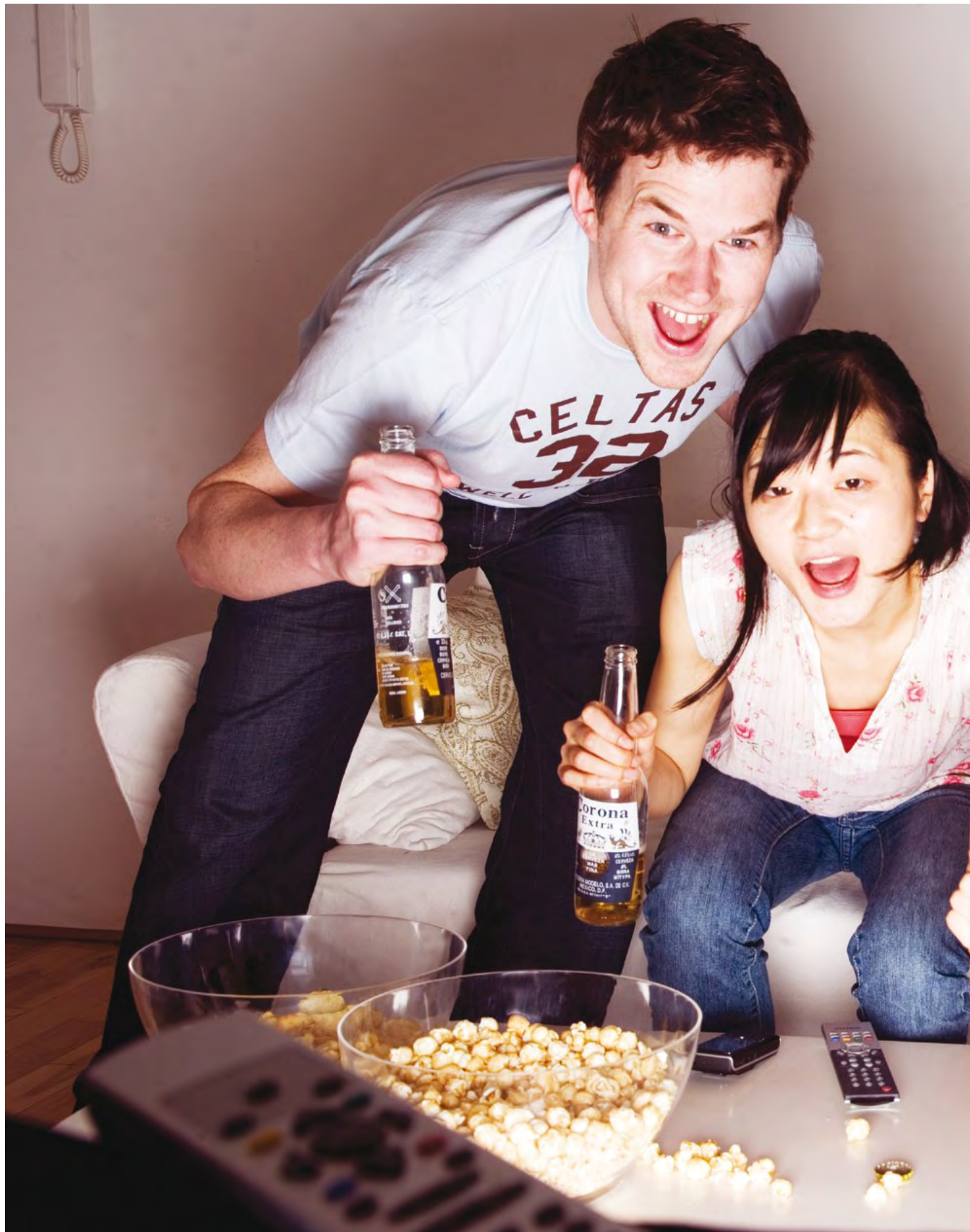
Switchover Dashboard: By Consumer Group Q1 2007

	Base Size	1 Awareness		2 Understanding			3 Pos/neut attitudes		4 Intentions to convert			5 Conversion				6 Satisfaction
		a - Switchover	b - Logo	a - What to do for DSO	b - Update VCRs	c - Regional date	a - Overall opinion	b - Personal comfort	a - Convert at least one set	b - Will not convert any set	c - Analogue h/holds to convrt 12m	a - Primary set converted	b - Other sets converted	c - Full h/hold converted	d - Total TV sets converted	With digital TV
National	1956	82%	60%	64%	32%	15%	70%	81%	88%	2%	12%	78%	41%	44%	60%	78%
Male	932	82%	65%	67%	41%	15%	77%	87%	90%	2%	15%	83%	45%	49%	64%	80%
Female	102	82%	56%	60%	24%	15%	63%	76%	86%	2%	11%	73%	37%	38%	55%	75%
16-24	207	65%	69%	47%	28%	8%	64%	85%	86%	2%		88%	41%	49%	63%	82%
65-74	230	84%	61%	56%	36%	16%	66%	76%	88%	2%		71%	33%	34%	53%	71%
65+	434	83%	56%	55%	29%	18%	65%	75%	82%	4%	13%	63%	31%	34%	49%	68%
ABC1	900	88%	59%	73%	35%	16%	75%	84%	91%	2%	7%	79%	43%	46%	61%	76%
C2DE	1056	76%	61%	54%	29%	14%	65%	79%	86%	3%	17%	76%	39%	42%	59%	79%
Rural	374	88%	63%	71%	40%	19%	70%	78%	89%	2%	10%	81%	39%	44%	59%	74%
Urban	1582	81%	60%	62%	31%	14%	69%	82%	88%	2%	13%	77%	41%	44%	60%	78%
Low income	450	79%	57%	55%	32%	15%	63%	74%	82%	3%	15%	62%	28%	37%	49%	75%
BME	73*	58%	65%	40%		4%	64%	76%	77%	1%		73%	52%	59%	64%	
Non-english	71*	47%	71%	22%		3%	68%	81%	77%	2%		59%		42%	50%	
Disabled	319	83%	56%	53%	32%	14%	65%	73%	82%	6%	15%	63%	41%	36%	53%	70%
Need assistance	122	78%	46%	42%	26%	13%	60%	61%	67%	5%	17%	28%	0%	1%	18%	
Hard to reach	858	80%	61%	60%	35%	14%	68%	77%	87%	2%	16%	74%	41%	43%	59%	78%
Living alone	356	79%	53%	55%	30%	15%	65%	70%	82%	3%	13%	61%	27%	40%	50%	70%
Families w/children	580	82%	62%	67%	30%	12%	70%	85%	95%	1%	16%	87%	46%	46%	63%	79%
Rent private	231	73%	64%	57%	26%	9%	74%	79%	92%	2%		72%	34%	46%	56%	82%
Rent council	360	72%	58%	46%	28%	9%	59%	73%	80%	2%	11%	74%	37%	44%	57%	81%
House	1793	84%	62%	65%	32%	15%	70%	81%	89%	2%	12%	79%	42%	44%	60%	77%
Flat	155	67%	47%	51%	31%	14%	63%	79%	76%	1%		67%	27%	41%	53%	88%
THS - 75+	204	81%	51%	54%	20%	19%	63%	73%	76%	6%	5%	56%	28%	35%	45%	63%
THS - DLA/AA <75	98*	87%	76%	62%	51%	16%	67%	79%	97%	0%		78%	49%	47%	64%	71%

* Very small base size - data should be viewed as indicative only

Source: GfK NOP Media Fieldwork dates 4th January-31st March 2007

** Extremely small base size - data omitted





Communications

The year was one of significant progress, marked by the launch of Digital UK's first national campaign at the time of the World Cup. We launched the "Look for the logo" campaign on commercial and BBC airtime. The year finished with a Christmas campaign, focussing on the benefits of digital and asking "Why wait?".

digitaluk.co.uk
08456 50 50 50

Each UK household has over 2 TVs on average (Digital UK/Ofcom tracker) 35-44s have more TVs (2.38) than other age groups. 65+ have fewest with 1.72



We began building awareness and understanding by sending 5.5 million leaflets to households in Border, West Country, Wales and Granada, and began boosting communications and press activity in local newspapers and regional radio. This was supported by a strategic imperative to complement our information campaign through the appointment of regional managers in the lead regions, to initiate stakeholder engagement and face-to-face support.

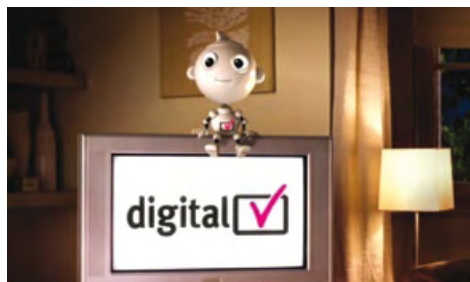
All this activity resulted in positive momentum in key metrics with awareness moving up 15%, and logo awareness moving from 45% to 65%. Digit Al became widely known as the friendly digital switchover robot, and appeared in retail outlets and at our roadshow events.

We developed an audience segmentation which identified the key groups we need to address our communications to; the two key groups are “traditionalists” (over 55s, heavy viewers, C2DEs, who find any change a challenge) and “cultured conservatives” (older, ABC1, relatively light viewers). This will provide a valuable focus for our communications going forward.

We laid the foundations for our community outreach communications by identifying key groups who may need more help during switchover, and understanding their barriers to change.

In addition to our communications, over the course of the year we set up the national contact centre and website, to provide customer help and support. The retail trade was briefed and provided with point of sale materials to encourage customers to buy digital TV products. We also developed the “ask digital” training programme, to ensure that store staff are able to give out correct information.

The year ended with the BBC Trust’s approval of the long term communications budget of £200m, which had been subject to review by the Department for Culture, Media and Sport (DCMS), the Central Office of Information (COI), and the BBC.



The Digital Switchover Help Scheme

In May 2007 it was confirmed by the Government that the BBC will take responsibility for managing the Digital Switchover Help Scheme. The BBC is procuring a contractor for the Copeland area (including Whitehaven), and one for the main scheme. £603m has been ringfenced from the Licence Fee to manage this programme of work, some of which will be earmarked for Digital UK to manage generic communications to raise awareness of the Help Scheme.

“I feel much more confident about switchover, especially with the Help Scheme. I’ll be able to switch over my TV set.”

Elizabeth Luckton – Copeland



The Help Scheme has been designed to help those who might have most difficulty switching over in the run up to switchover in their region: those 75 and over, the severely disabled, and the registered blind or partially sighted. The charge for those eligible is £40, unless they are also on certain income-related benefits, in which case it is free. Eligible recipients will receive equipment and help to allow them to convert one TV to digital.

Prior to the BBC's agreement to manage the Help Scheme, and also prior to the appointment of Capita as the Help Scheme contractor for the Copeland area, Digital UK managed the initial communications to the area, including the setting up of a freephone number; infrastructure and process to collect data; posters; press advertising; and sending letters, leaflets and forms to all 25,000 households. We are passing the data to the Department for Work and Pensions (DWP) for eligibility checks, and the contractor will then take over communications and delivery of the Help Scheme.

The Digital Switchover (Disclosure of Information) Act was passed in Summer 2007, enabling Capita to access details of those who are eligible in the Copeland area, and to send out direct mail to those who are eligible but have not yet applied.



Community outreach

Digital UK's research suggests that most people will get through switchover without too much inconvenience but some viewers will need a little extra help. The former will be reached by our main programme of communications and public information and the latter by the Digital Switchover Help Scheme and our programme of community outreach.



Helping Hand pack

We have been working on developing our presence and relationships at a regional and national level: in 2006/07, we appointed our first four managers for Border, West Country, Wales and Granada. In addition to being the public face of Digital UK for the media, the managers reach out to our partners in broadcasting, local government and the voluntary sector.

Our relationship with stakeholders and the voluntary sector is vital. Digital UK's approach is shaped by our relationship with the charities closest to the vulnerable and socially isolated who may need a helping hand through switchover. The Government's Consumer Expert Group has been an invaluable source of advice and support in our first two-years, helping to define key audiences and reviewing our communications. In addition they have offered advice on the usability requirements of digital equipment.

Digital UK's community outreach programme rests on three pillars:

- People: it became clear over the year that Digital UK required a partnership with the voluntary sector to provide face-to-face assistance for the hard to reach, the socially isolated and the wider public who prefer to speak to someone face-to-face. In some cases, this would mean small meetings; in others, stalls and stands; and in others, visits to homes and care homes.

In January 2007, we advertised for a partnership with the voluntary sector to deliver community outreach in the first four regions to switch, namely Border, West Country, Wales and Granada. The partnership would include the integration of information, advice and basic assistance into the everyday activities of the charities: meetings, events, home visits and care sector visits. It would also include the mobilisation of volunteers who might assist with these activities across the local voluntary sector. Following a competitive process, we expect to make an appointment of a charity, or consortium of charities, during the Summer of 2007.

- Places: in May 2006, we conducted our first public roadshow, providing the opportunity for face-to-face contact in Carlisle, and in October 2006 we went to Exeter and Plymouth. 2007 will see the development of the roadshows in to a fully-fledged programme in the Border region and Wales.
- Packs: the development of simple materials including pictorial leaflets and factsheets, informed by research through Ofcom's Advisory Committee for Older and Disabled people (ACOD), to assist the local community in explaining switchover to others. We have produced "Helping Hand" packs and schools packs for the Copeland area.



WE  TV

We watch one hour
more per week of
commercial TV than
we did five years ago

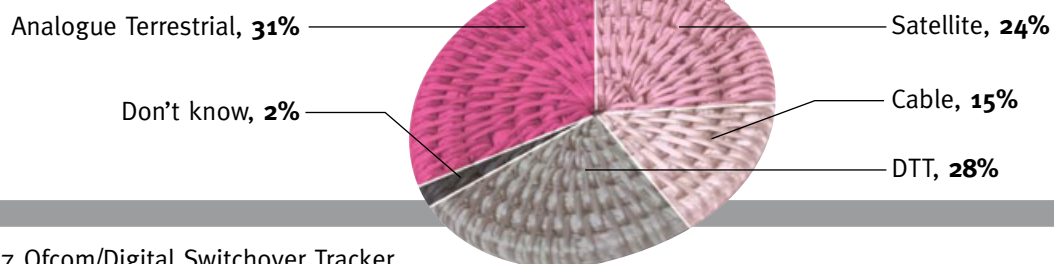




Housing and property

Digital UK is working closely with the Department for Culture, Media and Sport (DCMS) and Communities and Local Government (CLG) as well as the Housing Expert Group, to ensure that the Housing and Property sector is aware of what they need to do. This sector is of up utmost importance to the switchover programme because landlords, tenants and residents all need to be involved in decision making.

Market share of TV platforms on first sets in flats in the UK, Q1 2007



Source: Q1 2007 Ofcom/Digital Switchover Tracker

Landlords and property managers of all types of multi-dwelling units (including hotels, care homes and flats) need to ensure that communal aerial systems are able to receive digital TV in time for switchover in their region. There are around 6 million flats in the UK, and yet **97%** of tenants have never spoken to their landlords about digital TV.

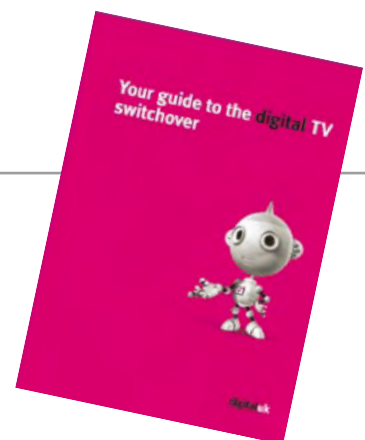
- In 2006/07, Digital UK increased its resource in this area and is spending much time visiting regional Housing Associations, social housing providers, and tenants associations, as well as liaising with key trade bodies such as the National Landlords Association, British Property Federation, National Housebuilders' Federation, and logging progress.
- Intelligence gathering and research; writing to all social housing providers in lead regions; writing to hotels and B&Bs, schools, lettings agents; managing research into Care Homes on behalf of DCMS, tracking progress amongst flat dwellers (who rent from a social landlord, private landlord, or own the leasehold).
- Property managers' communications: in April 2007, Digital UK arranged a supplement about the digital switchover to appear alongside the key housing trade magazine, Inside Housing, and plans to launch a comprehensive online guide for property managers in Summer 2007, at **digitaluk.co.uk/propertymanagers**.
- Tenants' communications: Digital UK has produced specific leaflets for tenants, and is running advertising campaigns in the lead regions to raise awareness and understanding amongst tenants.

Political and media affairs

Awareness of the imminence of switchover is rising quickly in the first regions and nations to switch and this was represented both in references to Digital UK in Parliament, mentions in the press and our post bag. The announcement of Copeland as the first area to switch also led to a considerable surge in public scrutiny of the switchover process.

“I have four TVs. The main one already has Sky but I’ll be connecting all the other sets to digital at switchover.”

Alex Grant – Copeland



MPs pack

Much of this interest is handled immediately and bilaterally – a phone call, a meeting, a visit – but increasingly we have moved to put in place regular communications with key opinion-formers and decision-makers. Awareness, understanding and expectations need to be managed. Digital UK attended all three national party conferences, briefed groups of MPs from Border, Wales, West Country and the north west, at the House of Commons, provided briefings for key parliamentary debates such as those around the Digital Switchover (Disclosure of Information) Bill, and met many MPs in their own constituencies.

On November 8, 2006, Digital UK launched the All Party Digital TV Switchover Group. Initiated by Eric Martlew MP for Carlisle and chaired by Jamie Reed MP for Copeland, the Group held several meetings, including one with Shaun Woodward MP and Margaret Hodge MP, the Ministers then responsible for switchover.

Media interest in switchover is increasing hand in hand with political interest. Journalists' inquiries range from basic factual inquiries to complex and sometimes challenging questions on policy or implementation. Coverage and reception issues, usability, the number of channels available on Digital Terrestrial Television (DTT) and the Help Scheme provide a steady diet of articles and pieces.

Pro-active work in the regional and national media supports Digital UK's wider communications programme. Many regional radio stations and local newspapers in the first regions to switch have run digital TV switchover Q&As and competitions as well as editorial around key issues like housing and property, assistance for the elderly and disabled and basics like date awareness and understanding what to do.

Digital UK published four editions of "Get Set", the quarterly newsletter for key stakeholders in elected politics, local government, the voluntary sector and the wider business community. Aimed at the interested but general reader, "Get Set" and its electronic counterpart, "Switchover News", published monthly, provide a regular update on consumer research, public policy and events on the ground in Copeland and the regions. Digital UK also created a pack about switchover for all MPs and members of the devolved legislatures, written with Ofcom and DCMS.



WE ♥ TV

The opening episodes of Torchwood on BBC Three drew the largest digital channel audience for a non-sport programme



Border:

John Askew



The Border TV region, the first region to switch, is the second largest of the TV regions in area and has the smallest population. It comprises parts of Scotland, England, and also the Isle of Man, so its people are represented by three parliaments. The land area is around 7,000 square miles and the population is 820,000; at 0.45 persons per hectare, one of the lowest population densities in Europe. The constraints of geography mean that a larger than average percentage of the population do not currently have any access to digital terrestrial television (DTT) and this presents both a great opportunity and tremendous challenges.

I joined the company in May 2006, from local government. I have travelled over 24,000 miles in twelve months, visiting communities and building relationships with stakeholders and residents. Much of my work over 2006/07 has been centred in the Borough of Copeland which is leading the national programme of switchover, with the Whitehaven (Bigrigg), Gosforth and Eskdale Green transmitters going all-digital from October 17, 2007. In March this year I was joined by Sarah-Jane Gray, who has been responsible for developing work in communities and with older and more vulnerable viewers in Copeland, working closely with Age Concern North West Cumbria and Copeland Borough Council and many other local organisations, whose help and support has been invaluable.

Levels of awareness of switchover are almost universal. Increasingly, people are aware of the relevant dates. A great deal of work remains to be done, but the regional team are very grateful for all the help and support they have received from local authorities, MPs and MSPs, broadcasters and journalists, charitable and voluntary organisations and individuals throughout the region, without which the task would be very much more difficult.

Cymru / Wales:

Gwenllïan Carr



Cysylltu â grwpiau a sefydliadau ar lefel genedlaethol oedd y flaenoriaeth yn dilyn fy mhenodiad. Mae nifer o'r grwpiau yn ymwneud â Llywodraeth Cynulliad Cymru a Chynulliad Cenedlaethol Cymru, felly roedd creu perthynas gref gydag aelodau etholedig a gweision suful yn hollbwysig ar y cychwyn.

Mae'r sectorau gwirfoddol a chyhoeddus yn bartneriaid pwysig a rydym yn cydweithio gyda nifer o asiantaethau gan gynnwys Age Concern Cymru, Help the Aged, Cymunedau'n Gyntaf a Gofal a Thrwsio. Rydym wedi datblygu perthynas ardderchog gyda'r darlledwyr yng Nghymru, yn ogystal ag Ofcom, a bydd datblygu fforwm darlledwyr yn parhau i gryfhau'r cysylltiadau hyn.

Mae gwaith eisoes wedi cychwyn gyda'r 22 Awdurdod Unedol yng Nghymru, ac mae'r cyntaf mewn cyfres o seminarau ar gyfer y sector dai yng Nghymru wedi'i gynnal yng ngorllewin Cymru.

Establishing national relationships with groups and organisations was the priority following my appointment. Our relationship with the Welsh Assembly Government and the National Assembly for Wales is vital, so creating a positive relationship with both elected members and civil servants was an integral part of the preliminary work.

The voluntary and public sectors are important partners and we work closely with a number of agencies, including Age Concern Cymru, Help the Aged, Communities First and Care & Repair. We have developed an excellent relationship with the broadcasters and Ofcom, and the development of a broadcasters' forum will further strengthen these links.

Work is well underway with the 22 Unitary Authorities in Wales, and the first in a series of seminars for the social housing sector has been held in west Wales.

Granada:

Jo Waters



With over six million inhabitants and 39 local authorities, the Granada region presents particular challenges for communicating digital switchover. The good news is that the current level of awareness of switchover is high, with almost nine in ten residents aware of switchover.

However, the sheer size of this region and the range of diverse communities who live and work here, means that working partnerships with key organisations is vital for ensuring everyone is prepared for switchover in 2009.

The priorities for me as Regional Manager (from February 2007) have been to identify and make contact with potential partners. To date, there has been an excellent response from local authorities who appreciate that switchover impacts on much of their core activity, from housing and social care to trading standards and tourism. Equally, local tourist boards and small business groups are pressing to take a leading role in ensuring that their members are not left behind.

There is a thriving community sector in the North West. Age Concern in particular is proving to be a valued information point on switchover for the over 50s. We are also being proactive in targeting organisations such as the Commission for Racial Equality, who can provide crucial advice on accessing those groups where language and cultural barriers may impact on digital inclusion.

The North West is the largest media hub outside London and all our communication is aided by the excellent working relationships we have with the BBC, ITV and Ofcom.

By the end of this year, we aim to formalise all these relationships through the creation of digital advice forums, an ongoing presentation programme and specialist seminars aimed at targeted audience groups.

West Country:

Bill Taylor



Switchover takes place throughout the West Country in the Spring and Summer of 2009. Particular challenges include combating issues relating to rural isolation and poverty. In my first six months, I have travelled many thousands of miles forging relationships and networks to help spread the message about digital switchover. This includes:

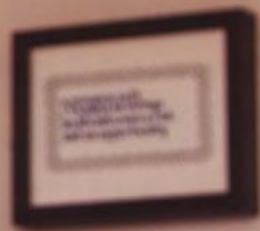
- Strategic partnerships with local authorities, MPs, broadcasters, charities, voluntary groups, professionals, consumer pressure groups, housing associations, business and trade groups.
- Community work: lunch clubs, village meetings, parish councils, etc.
- A high-profile media presence: Westcountry Live, Spotlight, BBC Radio Devon, BBC Radio Cornwall, commercial radio, Western Morning News and other regional daily and weekly newspapers and magazines.
- Roadshows in Plymouth and Exeter city centres.
- Sector conferences for housing professionals in Devon and Cornwall.
- A stakeholder seminar in Cornwall for social care professionals, charities, voluntary groups and churches. “Digital Switchover – How to Protect the Elderly, Isolated and Disabled.”
- Digital clinics, including a tour of Dorset with the BBC “open bus” service.

Exeter will be Britain’s first digital city. Digital UK is also working hard to help ensure that the West Country’s tourism sector is ready in time.



WE ♥ TV

61% of second TVs
are in the main
bedroom, 15% in
the kitchen,
9% in children's
bedrooms and
6% in secondary
living rooms.



The Copeland area

In the early hours of October 17, 2007 the town of Whitehaven on the Cumbrian coast will add another chapter to its rich and varied history when it, and much of the rest of Copeland, becomes the first area in the UK to switch to digital television.



This significant milestone for the UK's switchover project was announced on Thursday 20 July, 2006 when the then Broadcasting Minister, Shaun Woodward and Industry Minister, Margaret Hodge confirmed that Whitehaven would lead out the UK's switchover plan.

Awareness of the switchover is now almost universal in the area. The current challenges are to communicate the complex technical process and how it will affect residents; to ensure that the vulnerable are helped; and that everyone knows what to do.

Why the Copeland area?

The Copeland area was chosen to lead the switchover process following a feasibility study led by Digital UK. We felt that bringing the switchover date forward was an opportunity to work with many different organisations to prove that we can give people the information and assistance that they need to ensure everyone is prepared for switchover and the benefits it will bring.

We selected the area to be the lead region for the project because:

- It was within the Border region, the first to switch over
- The switchover will make digital terrestrial television available as an option for the first time in the area
- It is an area of clearly-defined terrestrial coverage with little TV signal overlap from other areas
- The presence of three different transmitters made it suitable technically
- The area has a good mix of households spanning rural and urban areas.

Digital UK's communications and assistance programme

Once the announcement was made Digital UK's programme of communication and assistance was swiftly put into action including:

- Letters sent to every household in August 2006 explaining what would happen;
- Advertisements and press coverage in local media;
- Public meetings in September 2006 and February 2007;
- Announcement in March 2007 of the exact date of switchover;
- The first Help Scheme communications began in March 2007;
- Captions began to be broadcast over analogue transmissions during May 2007;
- The Help Scheme contractor was appointed in June 2007.

Throughout this period we have also worked with local partners to ensure that:

- Retailers and aerial installers make adequate provision for the demand for equipment and services as the date of switchover approaches and provide helpful and accurate information throughout;
- Housing providers upgrade their communal aerial systems to allow residents to make the switch smoothly.



A particular feature of our programme of work has been the development of a partnership with Copeland Borough Council, Age Concern and other voluntary organisations to ensure those who may find the switch most difficult are provided with a helping hand. This is already helping us shape this key part of our work as the switchover programme rolls out across the UK.

And since May a billboard prominently situated on the harbour front has been counting down the days, hours and minutes to the switchover.

What will happen next?

Further direct communications will be sent to every household, supported by roadshows, press and publicity from June. Our regionally based staff will continue to work with local partners to provide advice at a local level through drop in centres and advice will be available from retailers and libraries.

The switchover commences during the early hours of October 17, when BBC Two will be switched off and replaced by the first group of digital channels. The process completes when the remaining analogue channels are switched off four weeks later on November 14.

Communicating this process, putting the infrastructure in place, engaging with our local partners and the community is not without its challenges but it is precisely why Digital UK was created. We are here to help. Our work in the Copeland area, including Whitehaven, and over time, the rest of the UK has been carefully planned to ensure that information and assistance is available to help people to convert to digital TV. We expect late converters to have gone digital by Christmas.

Thank you

Our success will be judged by the people of Copeland at the turn of the year. That success will owe much to those people themselves and the people who serve them in their community. We will owe them a great deal of thanks for the support they have given to us throughout the process.

Do you know
what's inside
your food?



To help you choose what you are
eating, you'll find a new label
called the **What's Inside** label on
the packaging of many of your
favorite foods.

Salt
trace
≤ 1%

Concerned about salt?

Look here for the amount of salt in a serving of **Barbie's Optima Berry**

Hot Cakes.

And here for what percentage that is of the **Guideline Daily Amount (GDA)**.

For more details on how **GDAs** work and how they help you enjoy a balanced diet,
just visit www.jettisoningguilt.com.

Each 60g serving contains

Energy 148kJ 3%

Protein 4g 8%

Fat 2g 4%

Saturated Fat 1g 2%

Salt trace ≤ 1%

of an adult's guideline daily amount

WE ♥ TV

90% of 8-15 year olds
watch TV each day





Financial reports

This section includes the primary statements extracted from the statutory financial statements for the year ended 31 March 2007. These have been issued with an unmodified audit report by our auditors Grant Thornton UK LLP.

Copies of Digital UK's financial statements are available on request

Profit and Loss

Digital UK Limited

Company limited by guarantee

Financial statements for the year
ended 31 March 2007

	Year end 2007	Period ended 2006
	£	£
Turnover	11,562,680	4,046,580
Cost of sales	(8,745,181)	(1,906,008)
Gross profit	2,817,499	2,140,572
Other operating charges	(2,856,278)	(2,149,576)
Operating loss	(38,779)	(9,004)
Interest receivable	57,325	12,287
Interest payable and similar charges	-	(948)
Profit on ordinary activities before taxation	18,546	2,335
Tax on profit on ordinary activities	(18,546)	(2,335)
Results for the financial year	-	-

Balance Sheet

Digital UK Limited

Company limited by guarantee

Financial statements for the year
ended 31 March 2007

	Year end 2007		Period ended 2006	
	£	£	£	£
Fixed assets				
Tangible assets		287,870		265,420
Current assets				
Debtors	1,921,334		382,101	
Cash at bank	4,818,924		425,132	
	6,740,258		807,233	
Creditors: amounts falling due within one year	(7,028,128)		(1,072,653)	
Net current liabilities		(287,870)		(265,420)
Total assets less current liabilities	-	-	-	
Capital				
Share capital	-	-	-	
Shareholders' funds	-	-	-	

Glossary of terms & Digital UK staff

“I’m looking forward to all the new channels and helping mum and dad plug in the set-top box to the TV.”

Rachel – Copeland



Glossary

Analogue signal

The broadcast signal which has been delivering the current four or five (not including other services and regional variations) TV channels to your TV set and video recorder via an aerial.

TV region

The region covered by one of ITV's major regional services, for example Border or Granada. The TV regions are defined by the transmission system. In each region this comprises main transmitters (like Crystal Palace) and then a number of smaller relays which feed off the main transmitter.

Digital signal

Television images are sent as compressed data which is then unscrambled by a digital box. The signal is sent by cable, satellite, broadband or through the air to your aerial.

Digital box

Needed for converting existing analogue TVs to be able to receive digital TV – it unscrambles digital signals and turns them back into sound and pictures. (Also see IDTV)

Digital switchover

The process of switching over the UK's current analogue television broadcasting system to digital, as well as ensuring that people have adapted or upgraded their televisions and recording equipment to receive digital TV.

Digital Television Recorder (DTR)

A digital receiver that is also able to record programmes to a hard drive, or onto a DVD. A DTR with a built in digital box (tuner) will enable you to watch one programme while recording another, if the television receives its own digital signal. Some DTRs have two tuners which allow you to convert your TV set so that you can watch one channel whilst recording another.

Digital Terrestrial Television (DTT)

DTT is transmitted through an aerial. In the UK this includes the Freeview service (which includes the terrestrial channels, BBC One, BBC Two, ITV1, Channel 4, Five and S4C) and, for an additional monthly subscription, Top Up TV.

Freeview

The main UK DTT service that is transmitted through an aerial. No subscription is required.

High Definition Television (HDTV)

HDTV is a new technology that will enable viewers to get higher definition television pictures. HDTV has four times as many pixels (dots on the screen) as standard TV broadcasts, meaning a clearer picture and detail on large-screen TVs. An HD-ready TV is not necessarily a digital TV. HD is currently available via satellite and cable.

Integrated Digital Television (IDTV)

A TV with a built-in digital receiver which can receive digital terrestrial TV channels through an aerial, with no need for an additional digital box.

Platform

A term for the different options for accessing digital TV. There are four platforms for accessing digital TV: through an aerial (DTT), via cable, via satellite or through the internet.

Scart lead

The best way to connect one TV product to another. It connects the picture and stereo sound in one 21-pin plug. Usually used to connect a television with a video or a digital box.

Spectrum

The electromagnetic spectrum is the set of radio frequencies used to transmit television, radio and other forms of electronic communication.

Digital UK staff as at March 2007

John Askew	Regional Manager, Border
Greta Baisch	Research Executive
Lee Bassett	Executive Assistant to Ford Ennals
Helen Bennett	Office Manager
Steve Black	Senior Manager, Customer Contact
Wendy Boyce	HR Manager
Gwenllïan Carr	National Manager for Wales
Diana Cashin	Programme Manager
Alexander Corlett	Receptionist
Simon Crine	Director of Corporate Affairs
Seb Dance	Political Officer
Matt Elliott	Advertising Manager
Ford Ennals	Chief Executive
Mark Evans	Technical Consultant
Sarah-Jane Gray	Copeland Liaison Manager
Kate Greenough	Marketing Executive
Jules Howard-Wright	Consultant, Broadcast
Emyr Hughes	Copeland Project Advisor
Mike Hughes	Broadcast Director
Frances Kneller	Head of Housing and Property
Kirsten Mackay	Senior Manager, Help Scheme and Housing
Eric Mitchell	Finance Manager
David Mortimer	Head of Public Affairs
Jane Ostler	Director of Help Scheme and Housing
Alex Pumfrey	Director of Strategy and Policy
Jon Steel	Head of Media Relations
Joe Smithies	Press Officer
Bill Taylor	Regional Manager, South West
Julianna Thomson	Broadcast Manager
Beth Thoren	Director of Communications
Andy Townend	Chief Operating Officer
Jo Waters	Regional Manager, North-West



digitaluk

Digital UK

The Met Building
22 Percy Street
London W1T 2BU
0845 072 4025

digitaluk.co.uk

get set for digital 

